

**ANNUAL REPORT  
OF THE  
JOINT STUDY COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE  
ASSESSMENT AND SOLUTIONS**



**Indiana Legislative Services Agency  
200 W. Washington St., Suite 301  
Indianapolis, Indiana 46204-2789**

**November 2012**

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**Stephanie Wells, Fiscal Analyst**  
**Karen Firestone, Fiscal Analyst**  
**Sarah Freeman, Attorney**

**November 2012**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>.

## ANNUAL REPORT

### **Joint Study Committee on Transportation and Infrastructure Assessment and Solutions**

#### **I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES**

IC 2-5-28.5-2 establishes the Committee, and IC 2-5-28.5-4 directs the Committee to do the following, beginning calendar year 2011 through calendar year 2015:

- (1) Assess the condition of Indiana's transportation infrastructure in both the public and private sectors.
- (2) In connection with the Indiana Department of Transportation and other interested parties, project Indiana's transportation demands through 2035.
- (3) Determine whether Indiana's existing transportation infrastructure is capable of meeting the transportation demands projected under subdivision (2).
- (4) Establish appropriate roles and responsibilities for:
  - (A) the state and county and municipal governments; and
  - (B) the private sector;in meeting Indiana's projected transportation demands.
- (5) Identify potential funding sources for both public and private transportation and infrastructure projects.
- (6) Report its findings to the governor and, in an electronic format under IC 5-14-6, the General Assembly.

#### **II. INTRODUCTION AND REASONS FOR STUDY**

Current Indiana law requires the Committee to study issues related to transportation and infrastructure between 2011 and 2015 and to report its findings to the Governor and the General Assembly.

#### **III. SUMMARY OF WORK PROGRAM**

The Committee met twice during the 2012 interim; the first meeting was held in Room 404, and the second meeting was held in the Senate Chambers of the Statehouse in Indianapolis. At the first meeting on September 5, the Committee heard from Congressman Larry Bucshon from Indiana's 8<sup>th</sup> Congressional District, the Commissioner of the Indiana Department of Transportation, and industry representatives.

At the second meeting on October 9, the Committee heard testimony from the Metropolitan Planning Organizations, Purdue's Local Assistance Technical Program, the Aviation Association of Indiana, and representatives of Indiana's cities, towns, and counties. The collection of data in order to create an empirical needs analysis for transportation and infrastructure was discussed at both meetings.

#### **IV. SUMMARY OF TESTIMONY**

##### State and Federal Transportation and Infrastructure

The recent transportation reauthorization bill passed by Congress (Moving Ahead for Progress in the 21<sup>st</sup> Century or MAP-21) represents an 18-month reauthorization that keeps highway funding stable, with a 1.4% inflationary increase. The bill transfers \$20 billion to the Highway Trust Fund for two years in order to keep federal transportation funding flat. The final version of MAP-21 does not penalize Indiana for the Indiana Toll Road, as it did in previous iterations. In addition, MAP-21 accelerates project delivery by streamlining the environmental review process.

Seventy-eight percent of all Major Moves projects are either completed or currently under construction. As well, a recent customer satisfaction survey indicates that the Indiana Department of Transportation (INDOT) has low dissatisfaction rates. INDOT has also implemented a new asset management program.

##### Logistics

Wages for individuals in the logistics and manufacturing sectors are 33% higher than the state's median income. The logistics industry believes that in order to grow the sector, improvements must be made in the areas of transportation bottlenecks, lack of direct rail service, underutilized air facilities, lack of efficient mode-to-mode connectivity, and problems with decaying locks and lack of dredging in Indiana's ports.

##### Current and Potential Future State Funding

Indiana's transportation funding sources vary in comparison with neighboring states. Indiana's gas tax is \$0.18 per gallon and is the lowest of all of the neighboring states. Indiana's special fuels (diesel) tax is \$0.16 per gallon plus an \$0.11 surcharge, making it greater than Michigan's \$0.15 diesel tax but lower than Ohio's \$0.28 diesel tax. Indiana is surpassed by neighboring states when it comes to vehicle and motor carrier fees used on roads. At \$219 million per year, Indiana is less than one-half of the next lowest state, which is Kentucky at \$485 million per year.

Possible new fuel-based funding sources that are utilized by other states include variable and indexed fuel taxes, alternative fuel taxes, oil company taxes, and gross receipts taxes. Other trends in transportation funding include vehicle miles traveled (VMT) pilot projects, many of which have encountered problems with technology, privacy and a current federal prohibition on VMT revenue being used as state leverage for federal transportation projects. Funding sources also include impact fees, traffic camera fines, vehicle emission fees, inspection fees, rental car fees, vehicle weight fees, and license fees. A variety of nontraditional funding trends, such as public-private partnerships ("P3s"), supplementing transportation funding with General Funds, and bonding, are also options.

##### Needs Information and Analysis

Specific needs information (by type and by location) was presented to the Committee by the metropolitan planning organizations, Purdue's Local Technical Assistance Program, and the Aviation Association of Indiana. INDOT, railroad, and port needs were not addressed at either Committee meeting. The intent of the Committee is to work with stakeholders in order to empirically determine local needs, gaps in funding, and potential new funding options in order

to assist the Committee and other legislators in making informed transportation funding decisions.

As much of the data necessary to complete the analysis was not made available to the Committee prior to the last meeting, the Committee instructed Legislative Services Agency to continue their work on the analysis. Once complete, the analysis will be distributed to the Committee members. At such time, the analysis will be made available to the appropriate fiscal committees and staff in the House and Senate.

## **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Committee made no findings of fact or recommendations and is submitting this report for informational purposes only.

## WITNESS LIST

Andrew Berger, Association of Indiana Counties  
Congressman Larry Bucschon, Indiana's 8<sup>th</sup> Congressional District  
Cameron Carter, Indiana Chamber of Commerce  
Commissioner Michael B. Cline, Indiana Department of Transportation  
Rhonda Cook, Indiana Association of Cities and Towns  
Dennis Faulkenberg, APPIAN  
Bart Giesler, Aviation Association of Indiana  
John Habermann, Local Technical Assistance Program, Purdue University  
David Holt, Conexus Indiana  
Laurie Maudlin, APPIAN  
Sandra Seanor, Indiana Metropolitan Planning Organization Council